

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

RATE ADJUSTMENT DUE TO EXTRAORDINARY
OR EXCEPTIONAL CIRCUMSTANCES

Docket No. R2013-11

**NOTICE OF REVISIONS TO EXIGENT REQUEST
OF THE UNITED STATES POSTAL SERVICE -- ERRATA**
(October 18, 2013)

On September 26, 2013, the Postal Service filed its renewed Request for Exigent Relief, which was docketed by the Commission as Docket No. R2013-11. The Postal Service hereby provides notice of some minor changes in its Exigent Request document, emanating from several sources as discussed below. These revisions do not alter the exigent prices presented in Attachment A to the September 26th Exigent filing.

Inbound Surface Parcel Post

One set of changes relates to new rates published by the UPU for certain International mail subsequent to the filing of the Exigent Request. Related additional revisions are being made to the Statement of Altaf Taufique, and to the Package Services folder (USPS-R2010-4R/5), and separate notices to that effect are also being filed today.

Specifically, as noted on page 24 of the Statement of Altaf Taufique, for purposes of the CPI filing (Docket No. R2013-10) that was made immediately prior to the Exigent filing, the Postal Service used placeholder estimates for Inbound International Surface Parcel Post prices to be effective in CY 2014. Such placeholder estimates were

necessary because the actual prices were not announced by the UPU until after the date on which both the CPI case and the Exigent case were submitted. Now that the UPU has released those prices, it is necessary to update certain portions of the Exigent Request to reflect the substitution in relevant calculations of the actual UPU prices for the placeholder estimates used earlier. The updates to the Exigent Request are as follows:

Table 1, page 8, Total Package Services, change “4.303” to “4.308”

Table 3, page 37, Package Services, change “-0.424” to “-0.312”

Copies of the revised pages, with the relevant figures highlighted in gray, are attached to this pleading.

Inbound First-Class Mail International

As with inbound Surface Parcel Post, placeholders were used in the workpapers for Internal Air Conveyance charges for inbound International First-Class Mail. And once again the UPU has now released actual IAC charges for FY14 that supersede the placeholders. Separate notices address the effect of these changes in the CPI case, and in the Statement of Altaf Taufique and the First-Class workpapers in this case. The substitution in the workpapers of the actual IAC charges in place of the estimated IAC charges causes the following revisions in the Notice:

Page 7, Table 1, First-Class Mail section
First-Class Mail International row, change “2.393” to “2.353”
Total First-Class Mail row, change “4.281” to “4.280”

Page 37, Table 3
First-Class Mail row, change “-0.435” to “-0.466”

Periodicals

In preparing the September 26th filings, some of the new Periodicals prices were inadvertently entered into the Periodicals pricing spreadsheets with four significant digits in both the CPI and Exigent cases. The actual prices, however, only extend to three significant digits (tenths of cents). While the actual three-digit prices do represent the correctly rounded values of the four-digit prices used in the spreadsheets, using the unrounded four-digit prices in the spreadsheets changed some of the relevant calculations (percentage increases, remaining cap in bank, etc.). Therefore, the Periodicals spreadsheets in both the CPI case and the Exigent case have been recalculated using the actual (three-digit) prices. In the Exigent case, the effects of these revisions in the two cases create the need for revisions in the Exigent Request document. Revisions are also made in the Statement of Altaf Taufique, and in the Periodicals folder (USPS-R2010-4R/ 4), and separate notices about changes to those materials are being filed today. In the Exigent Request document, the changes are as follows:

Table 1, page 8, Periodicals section

Outside County row, change "4.297" to "4.087"

Total Periodicals row, change "4.297" to "4.095"

Table 3, page 37, Periodicals, change "-0.429" to "-0.524"

Copies of revised pages 7-8 and 37 of the Exigent Request are attached to this pleading. Corrected cells in tables which have been revised are shaded in gray.

Respectfully submitted,

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submission of an entire case, which would include all of the information required by 39 C.F.R. part 3010, subpart E.¹⁴ The instant filing is intended to constitute an “entire case,” as contemplated by Order No. 1059.

III. Requested Price Increases

Immediately prior to filing this Request, the Postal Service filed a Type 1-A annual price adjustment in Docket No. R2013-10, with increases averaging to 1.6 percent. In the instant docket, the Postal Service proposes exigent price increases averaging 4.3 percent, on top of the increases set forth in Docket No. R2013-10. As Mr. Taufique explains in his statement, the Postal Service has endeavored to make the exigent increases as close to uniform as practicable.

The exigent price increases are shown at the class and product levels in the table below. As required by 39 C.F.R. § 3010.61(a)(1), a full schedule of the proposed rates appears at Attachment A, in Mail Classification Schedule format.

Table 1: Exigent Price Increases

First Class Mail	
<u>Product</u>	<u>Percent Change</u>
Single-Piece Letters & Cards	4.276 %
Presort Letters & Cards	4.291 %
Flats	4.627 %
Parcels	4.349 %
First-Class Mail International	2.353 %
Total First-Class Mail	4.280 %
Standard Mail	
<u>Product</u>	<u>Percent Change</u>
Letters	4.259 %
Flats	4.283 %
Parcels	4.335 %
High Density and Saturation Letters	4.212 %

¹⁴ Order No. 1059, Order Addressing Motion to Supplement and Related Filing, PRC Docket No. R2010-4R (Dec. 20, 2011).

High Density and Saturation Flats / Parcels	4.261 %
Carrier Route	4.288 %
EDDM – Retail	4.167 %
Total Standard Mail	4.264 %
Periodicals	
<u>Product</u>	<u>Percent Change</u>
Outside County	4.087 %
Within County	4.306 %
Total Periodicals	4.095 %
Package Services	
<u>Product</u>	<u>Percent Change</u>
Alaska Bypass	4.232 %
Bound Printed Matter Flats	4.626 %
Bound Printed Matter Parcels	4.484 %
Media Mail / Library Mail	4.304 %
Inbound Surface Parcel Post (at UPU Prices)	0.000 %
Total Package Services	4.308 %
Special Services	
<u>Service</u>	<u>Percent Change</u>
Total Ancillary Services	4.372 %
International Ancillary Services	4.188 %
Address Management Services	3.542 %
Caller Service	4.329 %
Credit Card Authentication	5.000 %
International Business Reply Mail Service	2.819 %
Money Orders	4.042 %
Post Office Box Service	4.177 %
Customized Postage	4.308 %
Stamp Fulfillment Services	5.005 %
Total Special Services	4.318 %

As required by 39 C.F.R. § 3010.61(a)(2), the Postal Service has prepared, for each class, workpapers deriving the requested percentage price increase. These workpapers are contained in the following library references:

It is true that the Postal Service's increase in Docket No. R2011-2 included the six months of inflation immediately prior to June 2010. These six months created 1.161 percent in inflation-based price authority, or 0.45 to 0.57 percent, depending on the class, above the price adjustment authority that the Postal Service calculated itself as having upon the filing of the July 2010 exigent request.⁴³ This should not trouble the Commission, however, because the amount of additional contribution that the Postal Service is seeking in this proceeding is much lower than it is entitled to under the exigency provision, or than what it originally sought in this docket (\$3.1 billion).

A second workable approach would be to use up all banked pricing authority currently extant, including any unused authority not applied in the Docket No. R2013-10 adjustment filed today. The table below lists all unused rate adjustment authority, by class, that is presently available to the Postal Service.⁴⁴

Table 3: Unused Rate Adjustment Authority

Class	Unused Authority (%)
First-Class Mail	- 0.466 %
Standard Mail	- 0.354 %
Periodicals	- 0.524 %
Package Services	- 0.312 %
Special Services	1.814 %

Under the second method, all of this unused authority would be eliminated upon approval of the exigent price increases. This approach creates at least one anomaly. A series of price reductions for Special Services commencing with Docket No. R2012-3 and culminating in Docket No. R2013-7 resulted in 3.678 percent in banked price

⁴³ See Exigent Request of the United States Postal Service, *supra* note 1, at 13 (listing the available unused price adjustment authority, by mail class, available as of July 2010).

⁴⁴ This table satisfies the requirement of 39 C.F.R. § 3010.63(a).